



Report to: Environment Committee, 25th January 2022

Report of: Corporate Director – Finance and Resources

Subject: SETTING OF THE BUDGET FOR 2022/23 AND MTFP TO 2026/27

1. Recommendation

- 1.1 That the Committee notes the proposed budgets for the various services identified for 2022/23.**
- 1.2 That the Committee considers the priorities within each service and recommends any change for the services' budgets including the Income and Efficiency plans.**
- 1.3 That the Committee consider the services' Capital Programme and future projects and recommends any changes or additions.**
- 1.4 That the Committee reviews any new budget proposals from Members and makes recommendations to Policy and Resources Committee as appropriate.**

2. Background

- 2.1 The proposed summary budgets for 2022/23 are contained in **Appendix 1**. These provide detailed budgets for each of the Council's services covering both income and expenditure.
- 2.2 The Council also produces a Medium Term Financial Plan for the next 5 years setting out the high level pressures and opportunities that are likely to need to be addressed.

3. Review of Service Budgets

- 3.1 Members are asked to review the budget for each service and the initiatives that are remaining in the Income and Efficiency plan, see **Appendix 2**. This includes some items that have been carried forward from the current year.
- 3.2 In light of any changes experienced by the services in the last 12 months, Members are asked to consider whether amendments are needed to the services' budgets in order to continue to achieve service objectives and to deliver the relevant aims of the City Plan.
- 3.3 Given that the Council faces a reduction in its future funding, this exercise is likely to result in a reduction or reallocation of resources rather than an increase in the net budget available.

4. **Projects and Capital Expenditure**

- 4.1 In a separate report to this committee meeting, Members have received a progress report on the various projects aligned to this committee. In addition, the Council's draft Capital Programme to 2026/27 is shown in **Appendix 3**.
- 4.2 Members are asked to consider whether the current projects are still appropriate for each service and whether there are any further needs that require addressing. Members will recall that the previous meeting of this committee on 2 November 2021 approved funding of £40,000 for additional gull control measures. This was subsequently approved by the Policy and Resources Committee meeting on 16 November 2021.
- 4.3 The budget setting approach adopted should be to focus on addressing the key themes identified in the City Plan. This should include greater detail on the proposed spend against each allocation and phasing the projects across the full 5 year term of the MTFP based on the need and importance of each one.
- 4.4 In addition to the previously discussed proposal, the Chair of the Committee has received new items for consideration. The project proposals received so far are summarised in the table shown below. Further details are provided below the table.

Proposal	Amount £	Notes
Approved 2 November		
Gulls	40,000	Enhanced gull control measures
New Revenue Proposals		
City centre – Street Scene enhancement	80,000	Continue with City Delivery Fund proposal for Enhancement Team (Driver, 1 operative and vehicle) once funding from reserves ends. This will ensure the improvement is maintained to cover the Queen's Jubilee year.
Biodiversity - upskilling the Environmental Operations team to enable them to best manage biodiversity issues.	10,000	More training for existing team and also to develop a key individual for greater knowledge including recognised qualifications.
Perdiswell landscaping	47,000	To cover shortfall in funding against the tender received. Initial report was for a broad allocation and the scope has widened.
	177,000	

- 4.5 The proposal for increasing the funding for the city centre street scene enhancement is the subject of a separate report on the agenda.

- 4.6 The proposal in respect biodiversity training is as follows. The conservation and mowing teams would be given training and information on the benefits of wildflower areas, and where appropriate, other biodiversity initiatives. This is to assist in their development and to upskill them, increasing their knowledge so that they have a greater understanding of why some actions are taken and why some are not. This would also be beneficial when communicating with residents. The plan would be to involve the Worcester Environment Group with direct, face-to-face, training at the depot, and potentially out on-site. In addition, opportunities to include training on the Learning Lounge would be explored.
- 4.7 Within the conservation team there is a level 1 trainee who has shown a lot of commitment and interest in biodiversity. He has voluntarily been getting involved with the WEG and with the RSPB in his spare time. The funding would be extended to help develop this individual and for him to play a wider role in helping the service deliver biodiversity. This would be a hands-on role, supporting line-management to actively deliver change. Offsite training on a recognised, high standard, environmental/ biodiversity training course, maybe on day release, would be beneficial in helping his development to the level required.
- 4.8 The proposal in respect of Perdiswell Landscaping is detailed at **Annex A** to this report.
- 4.9 In addition to the above one-off proposals, the Chair has received proposals which have an ingoing revenue implication and would therefore have a direct impact on the Council's budget to be set at Council on 22 February, if approved at Policy & Resources on 8 February. These are set out in the following table.

Proposal	Amount £	Notes
Place working – Street Scene	50,000	The current funding from reserves ends in March 2022. To maintain the existing standards, it is proposed to continue the resource levels permanently.
St. John's Cemetery: re-opening of the toilets and staff facilities.	14,000	Annual cost of cleaning and security.

- 4.10 The proposal in respect of Place Working is the subject of a separate report on the agenda.
- 4.11 The proposal in respect of St John's cemetery offices and toilets is the subject of a separate report on the agenda.
- 4.12 In addition to the above, the Chair of the Committee has received proposals which are potentially of a capital nature and therefore will not have a material revenue impact in the coming financial year but will need to be built into future capital programmes. The Committee will need to receive a further report setting out the full design, business case and financial implications during the year. These are as follows:

Scheme	Initial estimated capital cost (£)	Proposal
Cut and collect mower	38,000	Purchase of a mower to support wild flowering in verges and grassed areas.
EV Charging points in car parks	200,000	To develop a programme of additional charging points at suitable locations in the Council's car parks.

- 4.13 The proposal for the purchase of a cut and collect mower for wildflower areas is part of the wild flowering of grass verges and grassed areas. There is a need to cut and collect the cut material, on 2-3 occasions throughout the year. The existing lawnmower equipment is not suitable as it is not designed to capture/collect the cut material. The existing system is to cut and leave the cuttings.
- 4.14 For some of the wildflower areas, there is a need to manage the nutrients in the ground, the removal of grass cuttings is generally undertaken for around 3 years, this helps the wildflowers to establish themselves in an area.
- 4.15 A 'cut and collect' lawnmower is required to undertake this work, the proposed equipment, at a cost of £38,000, has been identified as the most suitable. A cheaper, smaller, option is available (c. £27,000) but this would not be as efficient as the proposed machine. If Members are in support of this request, the purchase can be added to the Council's capital programme for 2022/23.
- 4.16 The EV Charging points proposal is at an early stage but is designed to anticipate the increase in electric vehicle use. The Council's Environmental Sustainability Strategy states that the Council will 'enable residents without off-street parking to own an electric vehicle through affordable and accessible charging provision in council owned car parks'. An analysis conducted by a local research company found that around 33% of households in the city do not have access to their own off-street parking.
- 4.17 The growth in electric vehicle ownership nationally is currently very high, with the Society for Motor Manufacturers and Traders reporting that battery-powered vehicles accounted for 19% of new car sales in November 2021. In Worcester, between the end of Q2 2019 and the end of Q2 2021 Worcester saw a 369% increase over the two year period. This does not take into account company vehicles which are likely to be registered elsewhere.
- 4.18 The immediate successful uptake of the rapid charging hub at St Martin's Gate which opened in October 2021 has shown that there is demand for local chargepoints from both residents, visitors, commuters and businesses. It is early days and we are continuing to collect and analyse data from this charging hub to explore driver behaviour, such as the number of repeat visits and length of charging session. However, it is reasonable to assume that for many residents, there would be benefit in providing charging provision for overnight use closer to home, and other car parks may also be more convenient for business and leisure visitors. The provision of chargepoints, closer to households without off-street parking, is likely to remove one of the main barriers people consider when considering their first electric vehicle.

- 4.19 It is proposed that an allocation of £200k is included in the Council's capital programme. It is estimated that this will enable the provision of up to twenty 7kw dual charge points across the Council's portfolio of car parks. 7kw chargers are suitable for overnight or all day charging which typically takes 4-8 hrs for an average vehicle. Approval of the detail for implementation will be subject to a report to Environment Committee, which may also wish to consider a proportion of more costly rapid chargers. Technology is developing quickly in this area, and further feasibility work will be required to inform a decision on the most appropriate specification. It should be noted that car parks subject to regular significant flooding may not be suitable for this infrastructure, but the intention would be to provide as wide a coverage as possible.
- 4.20 The estimated capital cost is for the initial part of the programme. The Committee will need to receive a further report setting out the full design, business case and financial implications during the year so that the scheme can be phased into the capital programme.
- 4.21 Given that the Council faces a reduction in its future funding, recommendations should be prioritised to ensure the limited resources are allocated most effectively.

5 Implications

5.1 Financial and Budgetary Implications

The proposals for new City Plan themes or projects that require funding for inclusion in the 2022-2027 MTFP are set out in the report. These should be discussed and, if appropriate, approved by this committee. They will then be forwarded to the meeting of the Policy and Resources Committee on 8 February 2022 for consideration along with those proposals submitted by the Council's other policy committees.

5.2 Legal and Governance Implications

Responsibility for setting the budget rests with Full Council which receives recommendations from the Policy and Resources Committee. Any proposals agreed by this Committee must therefore be forwarded to the Policy and Resources Committee for consideration at its meeting of 8 February 2022 before being recommended, if approved, to the Full Council meeting of 22 February 2022.

5.3 Risk Implications

The pandemic has had a significant effect on the Council's income from Fees and Charges, particularly from car parking. Whilst there has been some recovery from the low levels experienced during the periods of lockdown, income has yet to return to the pre-pandemic levels. The Budget for 2022/23 assumes that all income streams will have recovered and will be back to the levels experienced in previous years.

5.4 Corporate/Policy Implications

None directly arising from this report.

5.5 Equality Implications

None directly arising from this report.

5.6 Human Resources Implications

None directly arising from this report.

5.7 Health and Safety Implications
None directly arising from this report.

5.8 Social, Economic and Environmental Implications
None directly arising from this report.

Ward(s): All
Contact Officer: Mark Baldwin, Head of Finance – Tel: 01905 722007
mark.baldwin@worcester.gov.uk
Background Papers: None

ANNEX A

Perdiswell Park Phase 2A improvements

Funding options

A budget of £100,000 was allocated to carry out improvements to Perdiswell Park, this was a general allocation and was not based on a scope of works or market testing. Phase 1 works costing circa £30,000 was completed in 2019. With the Phase 1 works and other management costs, there is currently £50,700 remaining from the original allocation.

As the second phase process has progressed, and feedback from public consultation, Members and stakeholders has been taken into account, the Phase 2A plan has evolved to include extensive biodiversity enhancements, supporting the Environmental Sustainability Strategy.

The plan now includes new woodland, meadow and bulb planting and wildlife habitat creation. The project also improves the path network delivering improved pedestrian / cycle access and increases the amount of park furniture; these were key aspects from the public consultation.

A formal procurement process has been undertaken for the full scope of works; two credible bids were received. The best tender gives a total cost of £213,200; this is in-line with an officer estimate that was prepared prior to the formal procurement.

A significant opportunity for financial support is currently available, through Natural Networks, with the potential for match funding of 45% of the project cost. This funding stream will shortly cease, with all projects needing to be completed by June 2023.

If the council decide to procure the full scope of works, an additional allocation of £47,000 will be required:

Contractor's tender:	£213,200
Natural Networks 45% (subject to NN approval):	£ 95,940
Remainder/City contribution 55%:	<u>£117,260</u>
Remaining from original allocation:	£50,700
Gov grant in the bank:	£16,060
Member contributions (existing)	<u>£ 3,500</u>
Total available	<u>£ 70,260</u>
Shortfall	<u>£ 47,000</u>

There is the potential to reduce this shortfall by reducing the scope of works. A list of options to reduce the planned works is shown below. Obviously, any reduction in the

planned works will reduce the scale of the biodiversity enhancements and/or reduce the improvements to inclusive access.

The saving to the council is 55% of the tender price cost saving (Natural Networks would save the other 45%).

As the Natural Networks funding is time-limited, should the council subsequently decide to procure any works that are removed from the current plan, there is no guarantee that match-funding will be available, as such the council may need to pay the full costs in the future.

Perdiswell Park - Phase 2A Landscape Works		
Description of Works for Review	Potential Reductions	Implications
	WCC @ 55%	
Option 1 Provisional Items		
<u>Omit</u> Provisional Items	£3,575	No items for minor clearance and regrading works that may be required following demolition; no protective fencing to discourage trampling and aid plant establishment.
Option 2 Paths		
<u>Omit</u> new surfaced path and repairs to existing path:	£18,473	No surfaced path along the main pedestrian and cycle access through the park that would permit year-round access for people of all abilities and encourage use away from trampling establishing habitats. Missed opportunity to attract grant funding.
Option 3 Street Furniture		
<u>Reduce</u> items of new street furniture:	£6,278	Reduced accessibility, connectivity and legibility.
Seats - reduce from 10no. to 6no.		Reduced accessibility for people of all abilities. Public disappointment. Seating was one of the top priorities following public consultation.
Fingerpost signs - omit all - 6no.		No signposting to improve connectivity and encourage people to use particular routes to enable the successful establishment of planting and meadows.
Interpretation boards - reduce from 6no. to 3no.		Reduced level of interpretation to inform all aspects of the biodiversity enhancements; aims and objectives; maintenance and management and site history.
Option 4 Tree, woodland and hedge planting		
Reduce and omit proposed planting:	£14,778	
<u>Reduce</u> tree planting by 25%		Reduction in habitat creation and potential tree cover.
<u>Reduce</u> woodland planting by 25%		
<u>Omit</u> native hedge planting		
Omit mulch/mulch mats from trial areas		Missed opportunity to reduce herbicide use and to understand the cost/maintenance implications of alternative approaches.
Preliminaries		
Assume the Preliminaries reduce accordingly (80/213=30%)	£3,589	A significant change in the tender total or programme will necessitate a further procurement process. Natural Networks will only assess WCC's application for funding when all match funding is secured which could delay the project further. Natural Networks will cease in June 2023 with all works to be completed and claimed prior to that date.
TOTAL	£46,693	